PUBLIC DISCLOSURE

October 12, 2010

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Continental Bank
Certificate Number: 57571

15 West South Temple, Suite 420
Salt Lake City, Utah 84101

Federal Deposit Insurance Corporation
25 Jessie Street at Ecker Square, Suite 2300
San Francisco, California 94105

NOTE: **This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.**

TABLE OF CONTENTS

GENERAL INFORMATION

The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority when examining financial institutions subject to its supervision, to assess the institution's record of meeting the credit needs of its entire community, including low- and moderate-income (LMI) neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

This document is an evaluation of the CRA performance of ***Continental Bank*** *prepared by the* ***Federal Deposit Insurance Corporation****, the institution's supervisory agency, as of* ***October 12, 2010****. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 345.*

INSTITUTION RATING

INSTITUTION'S CRA RATING: This institution is rated "Needs to Improve."

Continental Bank is rated "Needs to Improve." An institution in this group needs to improve its overall record of helping to meet the credit needs of its entire assessment area (AA), in a manner consistent with its resources and capabilities. This rating reflects an evaluation of the bank's performance using small bank CRA examination procedures. The following information supports this rating:

- The average net loan-to-deposit (ANLTD) ratio performance factor carries little weight in the CRA analysis. All of the bank's deposits are brokered or are institutional certificates of deposit, with a substantial majority of loans extended outside the AA.

- A majority of the bank's originations occur outside its AA.

- The geographic distribution of loans reflects poor dispersion throughout the AA and poor penetration among businesses of different revenue sizes.

- The bank has not received any CRA-related complaints since the previous CRA Performance Evaluation.

In addition, no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs was identified during this review period.

SCOPE OF EXAMINATION

This evaluation reflects the institution's CRA performance since the previous CRA Performance Evaluation dated July 18, 2005. The evaluation was completed utilizing interagency small bank CRA examination procedures, records and reports provided by management, and publicly available information. The evaluation was conducted from the bank's main office located in Salt Lake City, Utah. Examiners evaluated the bank's CRA performance in the context of the following:

- The current economic environment;
- Demographic characteristics of the AA;
- Lending opportunities in the AA;
- Financial resources and constraints;
- Product offerings and business strategy;
- Information derived from community contacts; and
- Performance of similarly situated institutions, if any.

The Bank's lending performance was based upon information provided by bank management and community contacts. Information from these sources, as well as economic data and demographic characteristics of the AA were also reviewed. The review period for the evaluation is from 2008 through year-to-date 2010. The bank's origination and acquisition of commercial loans was reviewed since they represent one of the largest percentages of the bank's loan portfolio, and are the primary business focus of the institution.

During the review period, the bank extended or acquired 625 loans totaling approximately $116 million. The sample of business loans consisted of 194 small business loans, with an original loan or commitment amount of $1 million or less that were extended within the AA.

The 194 small business loans were used to analyze the bank's AA concentration, and geographic distribution of loans. A sample of 34 loans was randomly selected to evaluate the bank's lending to businesses of different revenue sizes. The following performance criterion: AA concentration, geographic distribution, and businesses of different revenue sizes are given more weight in assigning an overall rating than the remaining criterion. The bank is not a Home Mortgage Disclosure reporter and does not originate residential mortgage or consumer loans.

DESCRIPTION OF INSTITUTION

Continental Bank is a $103 million state non-member bank chartered in the State of Utah that commenced operations on November 3, 2003. The bank is wholly-owned by Continental Bancorporation, a locally-owned and controlled subchapter S corporation. Continental Bank is a nationwide wholesale niche bank primarily engaged in the origination and/or purchase of commercial equipment leasing and small business lending throughout the United States. On a limited basis, the bank lends directly to small businesses and commercial borrowers. Continental bank operates with a small staff of 14 employees out of a single main office. The bank does not have any conventional walk-in traffic, does not offer any typical retail banking services, and has an informational only website. The bank has no retail deposits and primarily funds itself through brokered and institutional deposits and other borrowings.

As of September 30, 2010, Continental Bank reported total assets of $103 million; total loans outstanding of $93 million; total deposits of $84 million; and total equity capital of $19 million. Commercial loans represent 74 percent and commercial leases represent 26 percent of the bank's total loan portfolio. Table 1 details the loan portfolio as of the September 30, 2010, Report of Condition and Income (Call Report).

Table 1 - Loan Portfolio Distribution as of September 30, 2010

Loan Type	Dollar Volume (000)	Percentage of Total Loans
Construction and Land Development	4,094	4.41
Secured by Farmland	0	
Revolving Open-end 1 to 4 Family Residential	0	
Closed-end 1 to 4 Family Residential First Lien	0	
Closed-end 1 to 4 Family Residential Junior Lien	0	
Multi-family Residential	1,878	2.02
Total Residential Mortgage		
Commercial Real Estate	25,872	27.83
Total Real Estate Secured	**31,844**	**34.26**
Loans to Finance Agricultural Production	0	
Commercial and Industrial Loans	36,538	39.31
Consumer Credit Cards	0	
Other Consumer Revolving Loans	0	
Closed-end Consumer Loans	0	
Obligations of States and Political Subdivisions	0	
Other Loans (Lease Financing Receivables)	24,572	26.43
Less: Any Unearned Income on Loans	0	
Total Loans	**92,954**	**100.00**

Source: September 30, 2010, Call Report

There are no regulatory or legal constraints preventing Continental Bank from meeting the credit needs of its AA. The bank received a Satisfactory CRA rating at the previous CRA Performance Evaluation dated July 18, 2005.

DESCRIPTION OF ASSESSMENT AREA

The CRA requires financial institutions to delineate one or more AAs within which regulatory agencies evaluate the institution's record of helping to meet the credit needs of its community and surrounding area. An AA must consist generally of one or more metropolitan areas or one or more contiguous political subdivisions, such as counties, cities, or towns, in which the bank has its main office, branches, and deposit-taking remote service facilities. For the purpose and requirements of CRA, the bank has designated the State of Utah as its AA. The AA conforms to the requirements of the CRA regulation and does not arbitrarily exclude any LMI geographies.

As depicted in Table 2, the Utah AA is comprised of 496 census tracts (CTs). The total population of the bank's AA is 2.2 million according to the 2000 U.S. Census. The estimated 2010 median family income (MFI) for the State of Utah is $62,935.

Table 2 – Demographic Information for Combined Assessment Area

Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA % of #
CTs	496	3.83	17.74	52.82	24.40	1.21
Population by Geography	2,233,169	2.76	18.23	54.41	24.58	0.03
Owner-Occupied Housing Units by CT Income Level	501,659	0.75	13.62	58.29	27.34	0.00
Businesses by CT Income Level	265,294	4.65	16.95	50.30	28.08	0.00
Families by Income Level	6,261	1.61	10.32	63.06	25.01	0.00
Families by CT Income Level	539,728	16.91	19.86	24.91	38.33	0.00
MFI Housing and Urban Development (HUD) Adjusted MFI for 2010 Households Below Poverty Level		$62,935 $65,600 9%	Median Housing Value		$148,993	

Source: 2000 U.S. Census Data, State of Utah, 2010 Employment Development Department,, 2009 D&B data, HUD data

According to Moody's Analytics and www.economy.com for August 2010, the Utah economic recovery remains stronger than the nation's recovery. The unemployment rate has held steady at slightly above 7 percent in 2010, well below the national rate of 9.6 percent. Software company expansion is leading the recovery and will remain a key source of employment in the future. Utah is home to many computer software and hardware firms. A number of major software businesses have announced recent expansions in Utah. Also, the National Security Agency is constructing a $1 billion data center in Lehi, which will add 200 permanent positions.

Competitive Environment

As a nationwide lender, Continental Bank operates in highly competitive market in which it operates its main office. According to the FDIC Summary of Deposits for June 30, 2010, there were 50 financial institutions operating 252 offices in the Salt Lake City Metropolitan Statistical Area (MSA). The bank also faces competition from many community banks and large credit unions along the Wasatch Front and the State of Utah for small business lending.

Community Contact

Community contacts and a review of economic data, confirmed that the credit needs of the AA include affordable housing, assistance for small businesses and farms, and financial education for homeowners and business owners. According to this information, many small businesses and farms have encountered difficulties finding access to needed capital in the current economic environment. The contact indicated that there is a great need for small business financing, community education, and small business training. Training on how to successfully plan and manage a business was also discussed as a local credit need.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

The bank's small business commercial loans were analyzed for the CRA Performance Evaluation. Only those loans extended in Utah were analyzed for the AA concentration, and geographic and borrower distribution performance criterion. Continental Bank originates and/or purchases a vast majority of its commercial loan portfolio including leases throughout the continental United States through third-party brokers.

The sampled universe consisted of all commercial loans extended in the bank's AA for the years 2008, 2009, and year-to-date 2010. The universe consists of 194 loans totaling $24 million. For purposes of analysis all of the 194 loans were evaluated for the AA concentration and geographic distribution performance criterion. A sample of 34 loans was used to evaluate the bank's lending to businesses of different revenue sizes.

ANLTD RATIO

This performance factor measures the extent to which the bank utilizes it deposit resources to extend credit. The bank's ANLTD ratio is 117.81 percent calculated over the previous 20 quarters, beginning with quarter-end September 30, 2005, (the first quarter after the previous CRA Performance Evaluation), through and including quarter-end June 30, 2010, (the most recent quarter-end available). Continental Bank's ANLTD ratio compares favorably to that of an institution similar in structure and business strategy, (106.92 percent for the same time period), which operates in the Salt Lake City MSA #41620.

The bank's ANLTD ratio performance factor carries little weight in the CRA analysis as all of the bank's deposits are brokered or institutional certificates of deposit. In addition, a substantial majority of the bank's loans are extended outside the bank's AA.

ASSESSMENT AREA CONCENTRATION

The bank has originated and/or purchased 625 small business commercial loans totaling $116 million in 2008, 2009, and year-to-date 2010. In conformance with the bank's nationwide lending strategy, a majority of the bank's originations occur outside of its AA.

Specifically, the bank originated a total of 31 percent by number and 21 percent by dollar volume of the small business loans within its AA. Table 3 details the distribution of small business loans inside and outside of the AA.

Table 3 - Distribution of Loans Inside and Outside the Assessment Area										
Loan Type	Number of Loans					Dollar Amount of Loans				
	Inside Assessment Area		Outside Assessment Area		Total	Inside Assessment Area		Outside Assessment Area		Total
	#	%	#	%		$ (000)	%	$ (000)	%	
Small Business										
2008	32	20.51%	124	79.49%	156	7,319	22.16%	25,713	77.84%	33,032
2009	50	16.95%	245	83.05%	295	7,969	14.20%	48,131	85.80%	56,100
2010*	112	64.37%	62	35.63%	174	8,575	31.77%	18,418	68.23%	26,993
Subtotal	**194**	**31.04%**	**431**	**68.96%**	**625**	**23,863**	**20.55%**	**92,262**	**79.45%**	**116,125**
Source: Bank records										

Geographic Distribution

The demographic data provided by the 2000 U.S. Census Data, indicates the bank's AA is comprised of 496 CTs. Of these tracts, 3.84 and 17.74 percent are designated LMI. Businesses operating in these LMI tracts represent 4.65 and 16.95 percent, respectively.

The bank's geographic distribution of loans reflects poor dispersion throughout the AA. The number of small businesses located in the different CT income categories is used as an indicator of the small business credit needs in the bank's AA. Table 4 details the bank's geographic distribution of small business loans in the Utah AA. As detailed below the bank did not extend any loans in low-income CTs in 2009.

Table 4 – Small Business Loan Geographic Distribution							
Census Tract Income Level	2009 D&B	2008 Bank		2009 Bank		2010 Bank	
	%	#	%	#	%	#	%
Low	***4.65%***	4	12.50%	0	0.00%	6	5.36%
Moderate	***16.95%***	1	3.13%	6	12.00%	19	16.96%
Middle	***50.30%***	15	46.88%	25	50.00%	65	58.04%
Upper	***28.08%***	11	34.38%	13	26.00%	22	19.64%
N/A	***0***	1	3.13%	6	12.00%	0	0.00%
Total	**100**	**32**	**100**	**50**	**100**	**112**	**100**
Source: 2008 and 2009 D&B data, Bank records							

Borrower's profile

Continental Bank's geographic distribution of loans to businesses of different revenue sizes reflects poor penetration, given the demographics and economic profile of the AA. The bank's lending to small businesses, those with gross annual revenues (GARs) under $1 million, was compared to D&B data. Table 5 details the bank's distribution of small business loans to businesses of different sizes.

Table 5 – Small Business Loan Borrower Profile

Gross Annual Revenues	***2009 D&B***	**2008 Bank**		**2009 Bank**		**2010 Bank**	
	%	**#**	**%**	**#**	**%**	**#**	**%**
$0 ≤ $250,000	***65%***	2	33.33%	2	33.33%	8	36.00%
$250,001≤ $500,000	***7%***	2	33.33%	0	0	1	4.55%
$500,001 ≤ $1,000,000	***4%***	1	16.67%	0	0	2	9.09%
Over $1,000,000	***4%***	1	16.67%	4	66.67%	11	50.00%
Unknown Revenues	***20%***						
Total	***100%***	**6**	**100%**	**6**	**100%**	**22**	**100%**

Source: 2009 D&B data, Bank records

Of the 34 sampled small business loans extended in the bank's AA, 50 percent were made to businesses with GARs of $1 million or less. This percentage does not compare favorably with D&B data that confirms that 76 percent of small businesses reported GARs of $1 million or less. Overall, the distribution of loans to businesses of varying revenue sizes is considered poor.

Responsiveness to Complaints

A review of FDIC records, inquiries made to bank management, and the bank's CRA public file revealed no CRA complaints.

Fair Lending or Other Illegal Credit Practices Review

No evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs was identified

APPENDIX A - GENERAL DEFINITIONS

Aggregate lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/AA.

Area Median Income: The median family income for the MSA, if a person or geography is located in an MSA; or the statewide non-metropolitan median family income, it a person or geography is located outside an MSA.

Census tract (CT): A small subdivision of metropolitan and other densely populated counties. CT boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. CTs usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. CTs are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community development: (1) Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; (2) community services targeted to low- or moderate-income individuals; (3) activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have GARs of $1 million or less; or, (4) activities that revitalize or stabilize: (i) Low-or moderate-income geographies; (ii) Designated disaster areas; or (iii) Distressed or underserved non-metropolitan middle-income geographies designated by the agencies, based on a. Rates of poverty, unemployment, and population loss. Population size, density, and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- and moderate-income individuals.

Community Development Corporation (CDC): A CDC allows banks and holding companies to make equity type of investments in community development projects. Bank CDCs can develop innovative debt instruments or provide near-equity investments tailored to the development needs of the community as well as to the financial and marketing needs of the bank. A CDC may purchase, own, rehabilitate, construct, manage, and sell real property. Also, it may make equity or debt investments in development projects and in local businesses. The CDC activities are expected to directly benefit low- and moderate-income groups, and the investment dollars should not represent an undue risk on the banking organization.

Community Development Financial Institutions (CDFIs): CDFIs are private intermediaries (either for profit or nonprofit) with community development as their primary mission. A CDFI facilitates the flow of lending and investment capital into distressed communities and to individuals who have been unable to take advantage of the services offered by traditional financial institutions. Some basic types of CDFIs include community development banks, community development loan funds, community development credit unions, micro-enterprise funds, and community development venture capital funds. A certified CDFI must meet eligibility requirements, which include: having a primary mission of promoting community development; serving an investment area or target population; providing development services; maintaining accountability to residents of its investment area or targeted population through representation on its governing board of directors, or by other means; and not constituting an agency or instrumentality of the United States, of any state or political subdivision of a state.

Consumer loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into the following below:
- Male householder (A family with a male householder and no wife present) or
- Female householder (A family with a female householder and no husband present).

Full-scope review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (for example, innovativeness, complexity, and responsiveness).

Geography: A CT delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applications, the amount of loan requested, and the disposition of the application (for example, approved, denied, and withdrawn).

Home mortgage loans: Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwelling loans, loans for the purchase of manufactured homes and refinancing of home improvement and home purchase loans.

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

HUD Adjusted Income Data: The U.S. Department of Housing and Urban Development (HUD) issues annual estimates which update median family income from the metropolitan and non-metropolitan areas. HUD starts with the most recent U.S. Census data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

Limited-scope review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (for example, geographic distribution, borrower distribution, total number and dollar amount of investments and branch distribution).

Low-income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of geography.

Low Income Housing Tax Credits: The Low-Income Housing Tax Credit Program is a housing program contained within the Internal Revenue Code of 1986, as amended, which is administered by the U.S. Department of the Treasury and the Internal Revenue Service. The U.S. Treasury Department, through the Internal Revenue Service, distributes low-income housing tax credits to housing credit agencies. The housing agencies allocate tax credits on a competitive basis. Developers who acquire, rehabilitate, or construct low-income rental housing may keep their tax credits or sell them to corporations or investor groups, who, as owners of these properties, will be able to reduce their own federal tax payments. The credit can be claimed annually for ten consecutive years. For a project to be eligible, the developer must set aside a specific percentage of units for occupancy by low-income residents. The set-aside requirement remains in place throughout the compliance period, usually 30 years.

Market share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/AA.

Median Income: The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

Metropolitan area (MA): A metropolitan statistical area (MSA) or a metropolitan division (MD) as defined by the Office of Management and Budget. A MSA is a core area containing at least one urbanized area of 50,000 or more inhabitants, together with adjacent communities having a high degree of economic and social integration with that core. A MD is a division of a MSA based on specific criteria including commuting patterns. Only a MSA that has a population of at least 2.5 million may be divided into MDs.

Middle-income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent, in the case of geography.

Moderate-income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent, in the case of geography.

Multifamily: Refers to a residential structure that contains five or more units.

Non-Metropolitan Area: All areas outside of metropolitan areas. The definition of non-metropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies; for example, there is generally both urban and rural territory within both metropolitan and non-metropolitan areas.

Other products: Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

Owner-occupied units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Qualified investment: A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rated area: A rated area is a state or multi-state metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multi-state metropolitan area, the institution will receive a rating for the multi-state metropolitan area.

Small loan(s) to business(es): A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of $1 million or less and typically are secured either by nonfarm or nonresidential real estate or are classified as commercial and industrial loans. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as non-mortgage, commercial loans.

Small loan(s) to farm(s): A loan included in "loans to small farms" as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of $500,000 or less and are either secured by farmland, or are classified as loans to finance agricultural production and other loans to farmers.

Upper-income: Individual income that is more than 120 percent of the area median income, or a median family income that is more than 120 percent, in the case of geography.